



FMC Presentation

Thursday, May 25, 2023

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GASB 94 – P3's & APA's

- Process of implementation:
 - Effective July 1, 2022
 - SAO sent Wdesk survey out to agencies June of 2022 to determine any potential P3's or APA's
 - SAO will collect data for FY23 on year-end form

GASB 94 – P3's & APA's

- Public/Private or Public/Public Partnerships (P3s):
 - are arrangements “in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate a nonfinancial assets, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction”
- A P3 that meets the definition of a lease in Statement 87 – but not the definition of a service concession arrangement (SCA) – would be reported under Statement 87 unless
 - (a) the underlying P3 assets are not existing assets of the transferor or
 - (b) improvements are required to be made to those existing underlying P3 assets by the operator.

GASB 94 – P3s & APAs

- Availability Payment Arrangements (APAs):
 - Government contracts with another entity to operate or maintain the government's nonfinancial asset
 - Entity receives payments from the government based on the asset's availability for use
 - Asset's availability may be based on the physical condition of the asset or the achievement of certain performance measures
 - May include design, finance, construction, or service components

GASB 94 – P3s & APAs

- An APA for design, finance or construction in which ownership of asset transfers by end of the contract is reported as a financed purchase
- An APA for operations is to be treated as a flow of resources (i.e., expense) in the period payments relates

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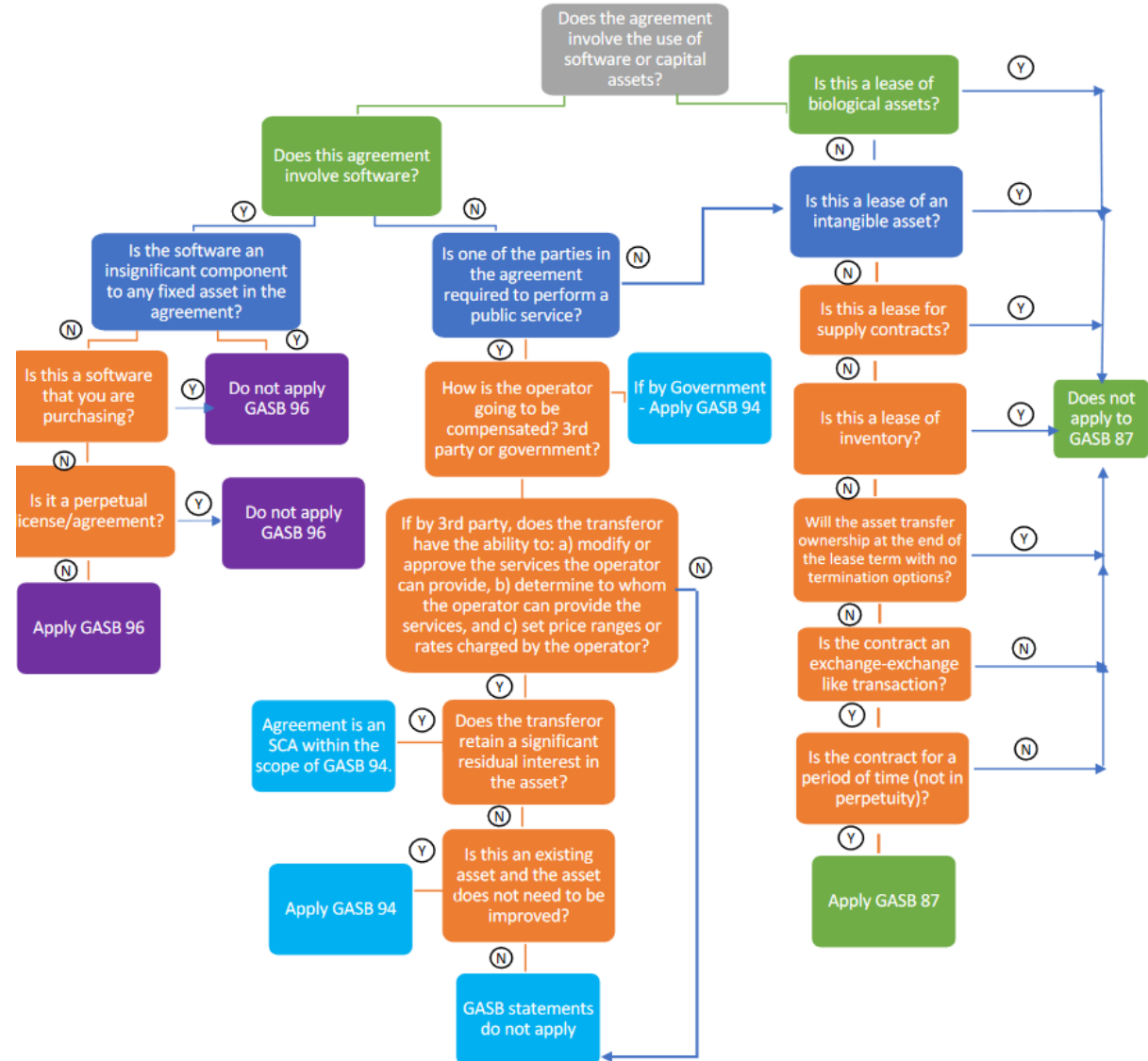
- Transferor reporting:
 - Receivable for installment payments to be received
 - Deferred inflows to be recorded for receivable and any initial cash payments received
 - Capital asset:
 - If a service concession arrangement (SCA), recognize the capital asset at acquisition value when placed into operation
 - If NOT an SCA, recognize a receivable for the capital asset measured at the operator's carrying value as of the future date of the transfer of ownership

GASB 94 – P3's & APA's

- Operator reporting:
 - Liability for installment payments to be made
 - Capital Asset:
 - If an SCA, recognize an Intangible Right-to-Use asset
 - If NOT an SCA, recognize:
 - the capital asset until ownership is transferred, and
 - a liability for the asset measured at the estimated carrying value as of the future date of the transfer of ownership

GASB 94 – P3s & APAs

- Helpful links:
 - SAO has created a decision matrix (to right) to help agencies determine which GASB (87, 94 or 96) to apply to agreement
 - GASB implementation page on SAO's website:
 - <https://sao.georgia.gov/policies-and-procedures/gasb-implementations>



Questions?